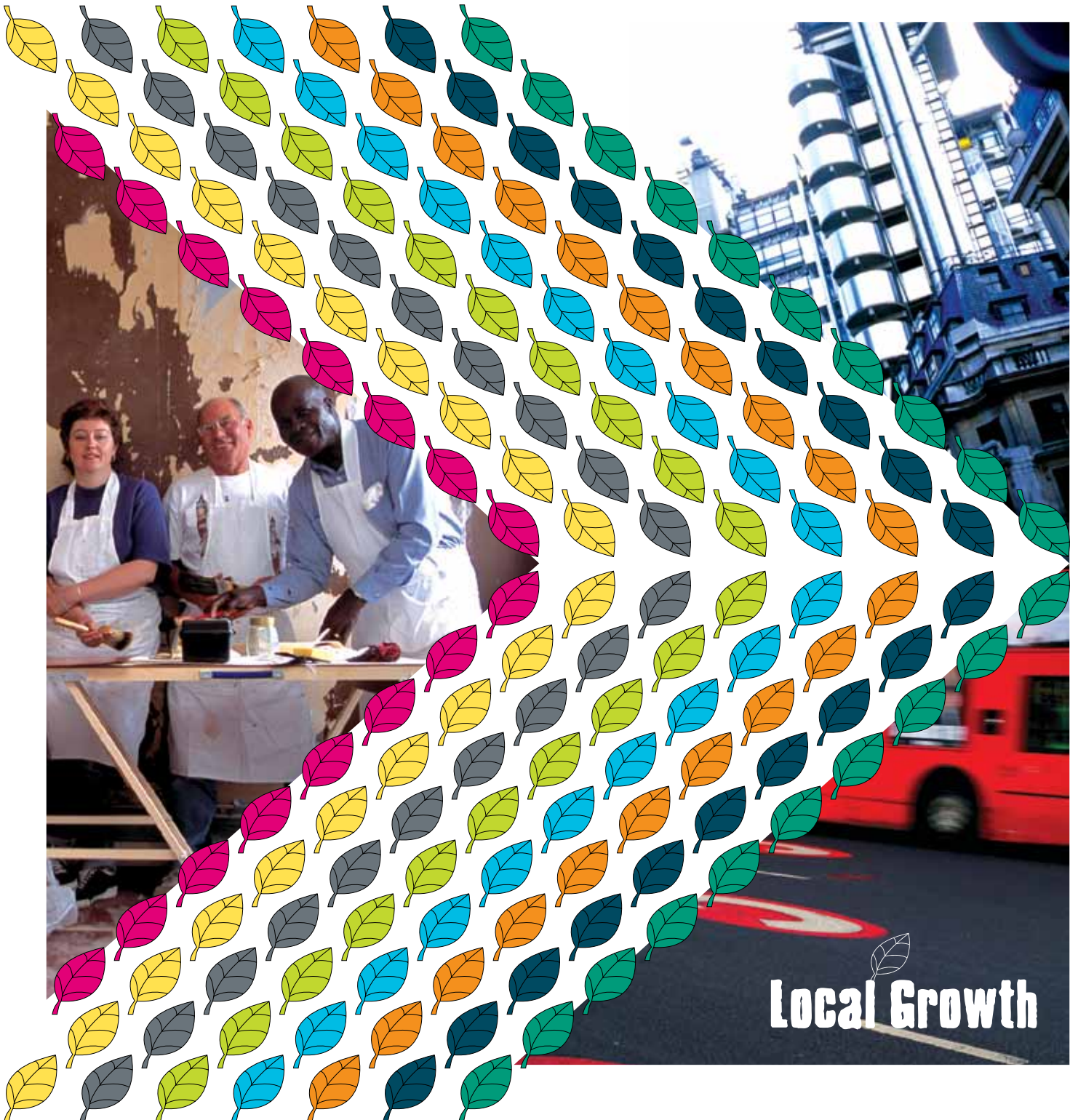


Local leadership, local growth



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The Local Government Association's local growth campaign

The Local Government Association (LGA) launched a local growth campaign against a background of slow recovery from recession, a new institutional landscape for economic development, reduced public budgets for economic regeneration and policies to devolve economic powers.

We aimed to:

- re-examine the economic development role of councils and partners after two years of recession
- establish the barriers to local growth that remain as localism and devolution became a reality
- compare our local leadership to other developed nations to challenge our own methods and practices.

We have:

- held town hall meetings up and down the country of councillors, regional associations, business leaders and local partners
- received challenges to our practice from local government associations from Europe and the Commonwealth
- commissioned independent research and essays from a wide range of bodies including IPPR North, the Centre for Cities and Localis.

This report sets out our conclusions and proposes new work and lobbying for the LGA, councils and partners to support national economic recovery.

We would like to thank: all the councils who have contributed to the campaign by sharing information about their local projects and initiatives or by hosting one of the town hall debates held in London, Leeds, Wakefield, Birmingham, Cambridge, Gateshead and Devon and; our regional LGA partners, local enterprise partnerships (LEPs), business associations and individual businesses, councils and councillors across the country for their input and local knowledge.

We are grateful to colleagues at the British Chamber of Commerce, IPPR North, and Localis for their support and contributions. We would like to thank East Midlands Councils, Association of North East Councils, East of England LGA, West Midlands Councils, Teignbridge District Council and Local Government Yorkshire and Humber for 'volunteering' to organise debates. And finally, thanks to the members of the LGA Economy and Transport Board for their leadership and direction.



Local Growth

campaign



Foreword



**Councillor
Peter Box CBE**

Last November, the LGA launched a local growth campaign. I am very grateful to all those who have contributed to it, especially the lead members of the LGA's Economy and Transport Board.

We knew back in November that economic recovery would take more time as forecasts for growth were revised downwards, that some parts of the country would be hit harder than others and that councils would have to promote growth with reduced regeneration budgets and new financial mechanisms to attract private investment.

So whilst councils have a long history in economic development, including responding to the recession in 2008, we needed to continue to reinvent our role in promoting growth. Our critics said we would not do so – that reductions in public spending would mean that councils would withdraw from economic development.

Our campaign has shown that hypothesis to be entirely false.

Up and down the country councils are in successful partnerships with local enterprise partnerships (LEPs) and business promoting growth. It is not easy, the economic circumstances are difficult and we live with the threat of an economic shock from the euro zone. There is a lot to be done but we can report much success.

Councils, LEPs and their partners would like to do much more. There are areas of partnership working where we can show greater civic leadership – our universities could play a bigger role in the local economy and we can offer innovators more of a helping hand.

There is still frustration that our skills and transport systems are not world class. Councils and local partners are asked year after year to knit together national government's programmes – and some programmes just do not fit the local economic circumstances. But increasingly government is getting that message and looking at how growth incentives can be tailored locally to deliver a better return to the taxpayer.

In keeping with that localisation, this paper is different. It is not a wide-ranging policy statement as found in government green papers. Rather it is a call to action and delivery. Through our town hall debates, we invited local councils, and their partners to identify what needs to be done to promote growth more effectively. Their views have provided a clear focus for future action and, through this paper, we are calling on government and partners to help us renew national policy and help encourage local growth.

Our message is simple. Councils of every political hue with their partners across business, voluntary and state sectors are getting on with it, but councils are ambitious to do more. Our offer to government is to work with them to promote local growth.

We are committed to working and campaigning with partners over the next year to drive this message home and ensure that councils' ambition for their residents and businesses are fulfilled.

Local Government
Partnership

Local Growth campaign



Introduction

The collapse of Northern Rock, the queues of anxious customers outside their branches, signalled the start of a new economic era – one of financial crisis, recession, deficit reduction and fragile consumer, investor and market confidence. The recovery from recession has been slower than any other previous recession. In the last two quarters the UK economy contracted by 0.2 and 0.3 per cent. At the global level, there are economies that are growing – the so-called BRIC economies of Brazil, Russia, India and China. Their economic development means that global economic competition is fiercer than ever.

The public sector landscape within which councils seek to promote economic development has shifted dramatically too.

The institutional landscape is different – Regional Development Agencies have been abolished, there are now 39 local enterprise partnerships and in Liverpool there is a new Mayoral Development Corporation.

The government has begun to devolve more responsibility for economic development to local partners¹ – one of its first acts was to create Local Enterprise Partnerships recognising the importance of functional economic geography².

At the end of 2011 it set out a prospectus Unlocking Growth in our Cities³ setting out the economic policy levers it would consider devolving to cities. Since then two City Deals have been announced – for Greater

Manchester and Liverpool and more are expected soon. Business rates will be localised. Colleges and training providers are being encouraged by the Department of Business, Innovation and Skills to be locally responsive⁴.

There is a new approach to funding – public budgets for economic regeneration have been reduced as part of the deficit reduction plan – but they still exist in the form of the Growing Places Fund, the Regional Development Fund and European funding. There are new mechanisms – the New Homes Bonus, Community Infrastructure Levy and enterprise zones. Councils have grasped these reforms – for example in the creation of enterprise zones up and down the country.

Councils have a long and proud history of promoting growth. Some commentators argued that budget reductions would put an end to council's role in economic growth. Our campaign, the debates, the research and the case studies we have amassed show that this proposition is entirely false and that councils are continuing to reinvent their role in local economic development.

The economic challenge of course varies across the country – there is significant local variation in economic circumstance from place to place – which means we need local solutions.

1 Supporting local growth, Communities and Local Government, Business, Innovation and Skills, December 2011

2 The LGA drew attention to functional economic geography in Vive la Devolution, LGA, 2007

3 Unlocking growth in our cities, Cabinet Office, December 2011

4 New challenges, new chances: further education and skills system reform plan, 2012, Business, Innovation and Skills

Councils are getting on with providing these solutions – there are many examples of councils working with business and other partners to encourage local growth and create the right environment for investment.



But there is a lot to do to promote growth and recovery and councils and their local partners are ambitious to do more, and that ambition exposes the barriers for example in skills and transport. There is further to go to allow growth incentives to be targeted at the local economic reality.

Councils too need to do some things differently. They have a leading role in creating the right environment for business to flourish. There is scope for local government to go further, emulating the best practice from abroad, reinventing its growth promoting role working with local partners and business to maximise their wealth creating potential.



This paper offers a focussed action plan – based on the priorities identified by councils and their partners in the town hall debates and during the local growth campaign. Our intention is to help councils create the right environment for growth.





Local government's economic history

Councils have a long tradition of promoting economic development from the founders of modern local government who built our cities to the modern day innovators helping to commercialise cutting edge private research.

As a sector, we should be proud of our history. At times of national and economic crisis, councils have consistently been the institutions upon which people have relied for their core services.

In the Victorian era, the founders of modern local government rebuilt and cleansed our cities. Leaders such as Joseph Chamberlain in Birmingham fought poverty, cleared slums and created municipal enterprises to bring affordable utilities, such as fresh water, to a growing urban population. He and his fellow councillors saw the marriage of commerce and civic pride as the central ingredients in creating modern Birmingham. From these values, they rebuilt the centre of the city as a thriving commercial hub which still can be seen today. Chamberlain's Birmingham set a standard for civic leadership.

After the First World War, Britain needed to house its soldiers returning from the trenches of Belgium and France. Councils took the leadership role in building homes for heroes. This leadership role continued after the Second World War. Britain again needed to house its heroes. Across the country, councils led the drive for national renewal.

In Birmingham, the council led the drive to re-build the city. In the ten years after the war, 37,000 council houses were built in the city to re-house returning heroes and city dwellers who had lost their homes during the war.

The decline of traditional manufacturing led to a new economic crisis in the West Midlands in the 1980s, with total employment declining in Birmingham by 200,000 between 1971 and 1984. Civic leadership needed to recreate itself to drive a new future for the city.

The City Council led the economic recovery, developing a strategy to support the restructuring the local economy with business and national partners. Led by private investments and both UK and EU public funds, by the early 2000 the city had been reborn as a modern European city, with the opening of the International Convention Centre attracting new business from across the world.

As a new economic era dawns, history tells us that councils are the institutions that have provided consistent leadership in times of crisis. Whilst councils' leadership remains and our history should be celebrated, our work needs to take a different form in response to new economic circumstances. The 21st century approach is about working with partners to create the right environment for business growth.

Local variation

Given the major programme of devolution and localism of recent years, our campaign revisited the basic economic data to examine whether the challenge of promoting growth varies from place to place.

As a country we celebrate our local culture and diversity – sailing in Cowes, the Glastonbury Festival, the Great North Run, the Lake District and the institutions, landmarks and history that make each place unique and different.

But the economic debate in the media tends to focus on the national headline indicators which average out local variation.

This contrasts with people's personal experience of the economy – which is intensely local:

- a young person is two and a half times more likely to be unemployed in Barnsley where youth unemployment is 25 per cent compared to York
- a working age person in Oxford is three times more likely to have a degree than a person in Wakefield
- one in five working age people in Derby have no qualifications compared to one in thirty three in Cambridge
- you are less likely to work in the private sector in Oxford and Cambridge than in any other UK city
- in Ipswich average earnings are £382 per week whereas in Aldershot they are £574
- in Wakefield an average house costs 6.5 years worth of average wages compared to 10.5 years in Brighton.

Take any economic indicator and there will be wide differences across the UK and there is growing variation in economic performance across the UK. This year's Centre for Cities' Outlook, from which all the figures above are taken, showed that the gap in economic performance between the best and worst performing cities was widening.

It's local

It is not just the media that focuses on the national economic outlook. Successive administrations have taken a predominantly national stance on economic policy issues – on the macro-economic issues of interest rates, financial regulation and fiscal policy – that is generally seen as the right thing to do.

On micro-economic policy there is a growing consensus that too many decisions are taken nationally in different government departments and their agencies. For example, in each of the town hall debates there was a strong plea for the skills system to flex towards local economic priorities.

The decision-making is therefore detached from the economic reality in the place. The decisions are often taken in isolation from other decisions being made in the place. As a result, the decision-making is less effective than if it were made with local insight and knowledge not just about the local economic reality but the inter-dependencies with other decisions too.

In 2011 the Communities and Local Government Select Committee said “the government is right to move towards a localist approach to regeneration” but that “while the aspirations for community-led regeneration are in place, the practical



mechanisms are lacking⁵. It pinpointed the fragmentation in the funding and programmes for growth and called for a community budgets initiative to facilitate a joined up approach to regeneration and to lever in additional private finance.

Localis⁶ explored the factors driving successful regeneration programmes and identified the importance of local leadership “regeneration is an incredibly complex issue and any successful approach needs to consider more than just physical and economic issues. Given the complexity and the variety of needs that each place will have...regeneration programmes need to be locally led.”

IPPR North⁷ reached the same conclusion “Local government has a critical role to play in creating the conditions for growth in their area. At a time when the UK economy is bumping along the bottom, and we experience the slowest economic recovery in recent history, it is essential that all contributions are maximised. Given the economic diversity of England it is not possible to do this with a one size fits all approach orchestrated from Whitehall.”

A wide range of leading business, think tank, political and academic leaders were invited to share their views on how to promote local growth – there was universal agreement confirming the proposition – it’s local.

CONCLUSION ONE



It’s local!

Given the economic diversity of England, national economic recovery requires programmes designed at the local level.



5 Regeneration, Communities and Local Government Committee, 2011

6 Grow your own way: taking a localist approach to regeneration, Localis, May 2012

7 Our role in economic investment, IPPR report for the Association of North East Councils, March 2012



Councils are getting on with promoting local growth

Before the launch of the local growth campaign, a hypothesis was in circulation that budget cuts meant that councils would reduce their role in promoting local growth.

The centrepiece of the LGA's local growth campaign was a series of Town Hall debates up and down the country – meetings of councillors, business people, vice-chancellors, Job Centre Plus district managers, college principals and other local leaders.

We heard a resilience, determination and optimism about the local ambition to promote growth and employment. Councils' core message was that they are getting on with it, renewing their economic development role with vigour, rather than reducing it. They are grasping the new tools of localism, for example in their desire to make best use of enterprise zones.

There is a strong continuity with councils' historic role in economic development with plenty of examples showing that councils are willing to take risks to attract private investment, growth and jobs. For example:

- Staffordshire, Wolverhampton and South Staffordshire councils worked together on an attractive package including the development of a new motorway junction and a wider offer on skills and research to secure a new Jaguar low emissions engine plant at the I54 site – a £355 million investment creating 750 skilled jobs.
- Wakefield First is an example of early public-private enterprise partnerships that are being built up. First Friday is premier business networking run by the Wakefield

Enterprise Partnership to encourage, inspire, and promote latest news and opportunities for Wakefield companies across the wider Yorkshire region.

- Essex County Council has over the last 24 years developed a civic and economic relationship with the Chinese province of Jiangsu building up links between senior business, cultural and civic leaders generating export opportunities, for example in offshore renewables. One of the recent outcomes is that China's largest publisher is setting up its UK headquarters in Essex.
- Tesco Bank has opened a state-of-the-art contact centre at Quorum Business Park as part of a major investment in its general insurances division which is based there. The announcement is a boost for the areas vibrant contact centre industry and a major success for the regional investment team that worked with Tesco Bank and its advisors for several months to attract the jobs to Tyneside. The investment team was made up of North Tyneside Council, Tyne and Wear Development Company and One North East, which also supported the project with a £2 million Grant for Business Investment (GBI). This will be used to cover significant fit out costs to create a world-class headquarters equipped with modern telephony and ICT equipment.
- Despite failing in their bid to government to establish enterprise zone status Arun District Council is working with partners to drive job creation in a greenfield site in Bognor Regis. The council will be marketing the site and setting planning conditions in parallel with moving forward with a developer that can achieve a critical mass of occupiers.





- Hemel Hempstead is a New Town and is one of the more successful of the original new UK towns. Dacorum Borough Council has been engaged with the business community for over ten years thanks to long term commitment to economic development and built a sound base of credibility within the business community. In December 2005, the fire at the Buncefield Oil Depot added significantly to the challenges faced by Maylands. The explosion and subsequent dislocation of business threatened redundancies on a massive scale. A total of 92 businesses were displaced for over 12 months and many more for periods of between a week and several months. After the urgent issues moved on, holding the confidence of the business community through engagement and involvement in the development of the Maylands Masterplan – which promised a brighter future – was essential, to increase local ownership and prevent business deciding that Maylands was not a good place to locate their business. Nearly all of the businesses who were displaced by the incident returned to Maylands.

As there are so many examples and case studies, we have collected them together with the reports from IPPR North and Localis on the LGA website at www.local.gov.uk/economyandtransport.

Councils are demonstrating local leadership and vision; strong local partnership working; and the ability to shape the public sector's economic programmes to the local economic reality.

The LGA will be working with our members in local government through the next phase of the Local Growth campaign in 2012-13 Local economies, local growth to ensure that the

council role in creating the right environment for growth is more evident in national policy making and viewed as a key chapter in the story of national economic renewal. But the tough economic challenges locally mean that much more needs to be done.

There is more that the LGA can do to share learning, challenge and develop local approaches to growth particularly in the development and use of new funding mechanisms and we will be making an improvement offer to our member councils⁸.

CONCLUSION TWO



We are just doing it.

Councils and partners have grasped devolution and have renewed their leadership role in a new economic era.

⁸ Investing in local economic growth: the LGA's offer of support to councils



Renewed civic leadership

The purpose of the local growth campaign was to explore whether and how councils with their partners are reinventing their role in promoting economic growth. We found that they are getting on with it – finding new ways to promote growth and building on their historic role.

During the campaign, and at an event in Europe House, civic and business leaders from other countries identified areas of civic leadership which are the norm for them, but where our record in the UK is perceived as less developed.

They challenged us to develop civic leadership which drives the link between higher education and business, to forge new foreign markets abroad for local firms and to secure local corporate responsibility from global firms. This is seen as the ‘day-job’ for many council leaders abroad. It is part of their toolbox for local economic growth. Whilst councils of all sizes have driven these agendas in England, there is some perception that these are not the natural spaces for English councils.

In order to refresh the agenda and debate in these key areas, we are proposing new, time-limited projects with partners to drive the issues that emerged from both the challenge from local government in competitor countries and as priorities in the town hall debates.

Our focus for action will be to work with:

- Universities UK on how local government, business and universities can work together more effectively, where the council can help to commercialise innovation using its procurement budgets and collaborate on local economic development. The Wilson Review⁹ into business and university collaboration identifies opportunities through local enterprise partnerships for universities to work collaboratively with business and local authorities to support economic growth.
- Business in the Community on the way in which we can support national companies to help localise their corporate responsibility programmes. As the devolution of responsibility for local growth takes effect, there will be a clear and renewed leadership role for councils to work with global and national companies and investors.
- UKTI on the important role that councils will continue to play in inward investment. Many foreign investors approach local councils first when considering new investments and there is evidence that councils abroad are using councils as a conduit to UK firms when public/private partnerships for public services are considered.

⁹ A review of business-university collaboration, Professor Sir Tim Wilson DL, February 2012





The Europe House debate focused on the role of councils in promoting growth in other economies. We asked local government from New Zealand and Germany to challenge our practice on attracting international trade to our towns and cities.

In Germany, colleagues from the city of Bonn described how the Mayor of the City meets potential investors from China and India and ensures that they are given a civic welcome by the City. Foreign investors seeking new markets were given the impression of civic pride and neighbourliness to help build long-term relationships with emerging economies. Electors expected this to be part of the Mayor's day-job to secure the long-term fortunes of the city.

Mayors in New Zealand acted as part of the national drive in attracting foreign trade. As local state leaders, they opened doors in China that businesses or civil servants could not. Their unique role in developing relationships with local leaders was recognised.

Both New Zealand and Germany recommended that we grasp this civic space as part of the drive for national recovery.

CONCLUSION THREE

We need strong civic leadership.

Civic leadership is needed to drive local economic development and it needs to expand to match the local strength of our competitors.



Councils and their partners are ambitious to do more

The government is beginning to devolve the levers of growth – for example the Growing Places Fund and enterprise zones.

Within this positive move to localism, there is a growing acceptance that economic policy has a different impact in different places – because wage and employment rates, house prices and rents, transport conditions, access to markets, skills levels, the local asset base and so on are just very different from one place to another.

Despite the wide-ranging devolution agenda and the new spirit of localism in England, during the campaign we heard that too often the design of many national economic programmes are still at a national level which means the programmes and growth incentives work well in some places, but are less effective in others.

Councils and their partners are ambitious to do more to shape the use of these levers. Indeed the frustration of local businesses to be able to do more needs to be addressed.

Three big issues emerged and were raised without a prompt in each town hall debate – issues which the LGA will focus on in the year ahead. The great ambition for effective delivery at a local level is held back by:

- an education and skills system that does not deliver the work readiness and skills people, especially young people, need to meet the demands of local employers
- transport investment decisions are too slow or fail to be modelled on the need to maximise local growth and jobs, and

routes and timetables do not promote growth either

- the public investment that is available for regeneration, and for tackling issues like youth unemployment, is fragmented – with many initiatives being driven by national policy rather than local need.

Policymakers in Whitehall cannot possibly consider how their policy will impact on different parts of the country – they consider the impact on sectors and different income groups but they do not have the information, evidence base or insight to understand the differences in how policy impacts on place.

There is a widespread frustration in councils and their partners about their inability to shape policy to local circumstance. The door is however opening to sort out these issues through the City Deals, whole place community budget pilots and other joint work with government.

Business backs this ambition – local enterprise partnerships have played an important role in bringing civic and business leaders together, strengthening the partnership working and private sector expertise in local economic development.

“There are four areas our members tell us are negatively affecting growth: the recruitment of staff and the amount of bureaucracy involved; inflexible and lengthy planning processes; access to finance and better relations between banks and business; and more support for our exporters and inward investment.” Adam Marshall, British Chambers of Commerce





CONCLUSION FOUR

Councils and their local partners are ambitious for more – but need more powers.

We have grasped the new devolution, but barriers to local growth from over-prescribed national programmes remain.

Realising the ambition – Government needs to devolve

The government's approach to local growth set out in 'Unlocking growth in cities' and 'Supporting local growth' towards the end of last year shows an openness on the part of government departments to look in more detail at the issues and a shared desire to identify propositions that will promote growth. Councils and their partners have grasped devolution and are looking to develop local solutions, rather than shift responsibility for national programmes.

We are therefore proposing to work with key departments to develop a joint understanding and evidence base and explore how local solutions can be better delivered. Rather than preparing prescribed solutions, we are proposing our own pilots and demonstration projects and to work with departments to help drive the localism agenda.

We will bring together local partners in a number of council areas to review how the localism agenda is working in skills provision. We will prepare a joint review and present it to the Department for Business, Innovation & Skills (BIS) to help ensure that we have clear local models that help councils drive coordinated services where local people receive the skills and training they need to compete for both existing jobs and for jobs resulting from new investments.

We have agreed with the Secretary of State for Transport to work together with a number of councils to establish the most effective models of devolution to speed up transport investment. We will present a review to the Secretary of State by the end of 2012.

The first City Deals are another concrete expression of the appetite on the part of government to identify ways to promote local growth. City Deals are a major step towards shaping economic policy to the needs of local places. Other core cities are negotiating deals. Up and down the country, counties, groups of councils and smaller cities are also ready to secure devolved powers. We need to ensure that this opportunity is available for all councils that have such ambition. The first set of deals will provide a benchmark against which other deals can be developed – for more cities, counties and sub-regions too.



Growth is the top priority for government. It has indicated that it will extend the City Deal approach which the LGA will continue to campaign for. Local government can seize the initiative and bring forward its own proposals for Local Growth Deals.



National government accepts the principle that economic policies impact in different ways in different places. But if government was minded to dramatically widen the City Deal process it would be hard-pressed to negotiate on each and every aspect in each and every place, so a natural evolution of the City Deal process is to devolve some levers to all places.



CONCLUSION FIVE



We can demonstrate how devolution can deliver more and we will in 2012-13.



Summary – a call for local growth

To summarise:

- councils have a long and proud history of promoting growth and they are working in partnership with businesses, for example in local enterprise partnerships, to respond to the current economic challenges
- there is local variation in economic circumstance between different places
- this requires growth incentives and programmes to be targeted at the local economic reality
- councils are just getting on with it – there are many examples of councils working with businesses and other partners to encourage local growth
- local government is reinventing its role extending into new areas of civic leadership
- councils are ambitious to do more to target growth incentives and programmes more effectively on local economic circumstances and are calling on government to devolve powers through an extension of the City Deals.

The LGA offer going forward is to work with councils, partner organisations and central government through our 2102-13 'Local economies, local growth' campaign to develop the ways in which we can work together more effectively to promote growth and jobs.



Appendix

Local economies, local growth – moving forward

In this appendix we set out the actions the Local Government Association will take forward during 2012-13. It is not exhaustive list – but a focus on priorities identified by councils and their partners during the town hall debates.

Progress will help councils to create the best environment for business investment.

Our work will focus on renewing councils' civic leadership role, removing the national barriers and ensuring that all aspects of growth including planning, housing and infrastructure are brought together.

The debate on local growth will continue and councils will continue to reinvent their role in economic development, innovating and sharing best practice.

A central feature of the debate will be the balance between national and local government decision-making on economic issues and the levers at the disposal of councils and their local partners.

A central and compelling feature of this year's local growth campaign has been our work with partners which we will build on during 2012-13. Our work programme is a call for action and we will continue to seek allies in making the case for local approaches to growth.





Skills	
The aim	A closer match between education and skills provision and the needs of local businesses.
Where are we now?	<p>Mainstream adult skills provision, for age 19 years plus, is £3.8 billion in 2012-13¹⁰. The funding model is based on participation, retention and achievement and driven by learners' choices about the courses and levels eligible for funding.</p> <p>In 2010-11 over three million learners aged 19 years and over received government funded learning in the FE sector.</p> <p>Despite the funding levels and learner volumes, employers report skills gaps, particularly in Science, Technology, Engineering, and Maths (STEM) subjects. There is also scope for better integration with employment support – Job Centre Plus and the Work Programme and pre-19 education and training.</p>
The English policy direction	<p>The government's policy was set out in Skills for Sustainable Growth (2010).</p> <p>The key pillars of the reform are learner choice, de-regulation and transparency. The government sees colleges' and providers' primary accountability to students, employers and community in their areas, rather than to the Skills Funding Agency or the Department for Business, Innovation and Skills (BIS).</p> <p>Government believes a more dynamic further education sector requires changes to governance – with new models (companies, trusts and mutual ownership) and a bigger role for local government and local enterprise partnerships.</p> <p>Baroness Sharp also led an independent commission supported by the National Institute of Adult Continuing Education (NIACE) on colleges' role in the community¹¹ which concluded that only the best colleges were a dynamic, responsive nucleus for the community.</p> <p>BIS has also introduced specific funding streams to encourage colleges and providers to respond to the local labour market – the City Skills Fund (£4.5 million) and Employer Skills Fund (£200 million) give employers more influence over skills provision. But this is a small proportion of total provision.</p>

10 New challenges, new chances: further education and skills system reform plan., BIS, December 2011
 11 A dynamic nucleus – colleges at the heart of local communities, NIACE, November 2011

<p>What would local partners like to do differently?</p>	<p>Both business and civic leaders reported that colleges and providers were not sufficiently responsive to local labour markets.</p> <p>Local partners would like to be able to exert more influence on providers and sharpen the financial incentives on colleges and training providers to respond to local labour market conditions. This could include a more outcome or results based payments system or a top-slice of funds for specific local needs.</p>
<p>LGA work programme</p>	<p>The LGA will work with a number of areas modelling how councils and employers can work better with local colleges and providers to ensure that local skills needs are met effectively and local skills problems addressed. We will present any changes needed to the national system to the Department for Business, Innovation and Skills.</p> <p>We will campaign with partners to promote these approaches.</p>
<p>Case study</p>	<p>Walsall Works</p> <p>Walsall Works is a multi-million financial investment by Walsall Council. It symbolises their vision of creating the conditions for sustainable employment growth within Walsall based businesses. Employers will be offered an incentive payment of up to £3000 to recruit a young person as an apprentice.</p> <p>It aims to raise the ambition and aspiration of young residents. In doing so, it will reduce the number of young people who are not in education, training or employment. Walsall Works will unlock new jobs within micro, small and medium sized enterprises with a focus on those opportunities within the growth sectors of:</p> <ul style="list-style-type: none"> • niche and high value manufacturing & engineering • environmental technologies • financial, professional and business services • creative and digital services • health and social care • logistics.





Transport	
The aim	Transport to be central to the growth agenda and local authorities to have greater influence over transport decision-making in order to achieve better local growth outcomes.
Where are we now?	<p>Many of our major cities and towns underperform their European equivalents on key economic indicators. This is partly attributable to the quality of the local transport systems, which make these cities attractive places to invest and which enable people to get to the jobs.</p> <p>In the UK, transport infrastructure problems are estimated to cost businesses nearly £20,000 per year on average and the top two improvements businesses would like to see in their city are improved transport links with other cities and improved public transport.</p> <p>Another key role for transport is helping people to get to work. Nearly 40 per cent of jobseekers say transport is a key barrier to getting a job. Support for jobseekers works best when it is designed with the needs of different individuals and places in mind; it integrates with and assists individuals in the use of existing transport provision; and when it works alongside initiatives in other policy areas. Again, this requires decision-making at a local level.</p>
The English policy direction	<p>The Government is making growth central to its transport policy. It has recognised the importance of local decision-making in ensuring that solutions are fine-tuned to match the local economic, social and environmental needs.</p> <p>Transport is a key component in the emerging city deals and, if implemented more widely across the county, authorities could have greater input into decisions on rail and buses, roads and transport infrastructure.</p>

<p>What would local partners like to do differently?</p>	<p>Local authorities want to create the right conditions to foster and manage growth for the benefit of their communities. The development of integrated local transport systems is central to this aim, but this has in the past been elusive because of the separate approaches to decision-making and delivery of the various transport modes.</p> <p>Through the town hall debates we heard that local authorities need:</p> <ul style="list-style-type: none"> • the capacity to act quickly to put packages together, across transport and skills in order to respond to the needs of inward investors • the ability to join-up transport locally across all modes in a way which makes sense for the local economy (the solutions here will be very different for city regions, growth point cities, towns and rural areas) • the ability to manage and coordinate street works more effectively to support businesses and residents better • a full range of powers including the Traffic Management Act part 6 to ensure that their networks run smoothly and efficiently.
<p>LGA work programme</p>	<p>The LGA is working with a number of local authorities and with central government to understand what works well and is transferable to the local level and also what barriers remain that we need to work on with government.</p> <p>We are working with Cornwall, Cambridgeshire, Manchester, Staffordshire and Leeds city regions to understand the transport opportunities and challenges as places seek to grow their economies.</p> <p>The Secretary of State for Transport will meet the LGA to consider our findings later this year.</p> <p>We have also been asked by councils to examine the barriers to growth created by badly managed streetworks and we will be presenting findings later in the year.</p>





Case study

Staffordshire County Council, South Staffordshire District Council and Wolverhampton City Council

The development of the Jaguar Land Rover (JLR) low engine emissions plant in South Staffordshire is a success story for local jobs and growth. It was achieved through very pro-active partnership working with local councils across geographical boundaries, which had enabled issues such as transport access and planning concerns to be overcome.

The outcome of this partnership is a new manufacturing plant, funded with £25 million Regional Growth Fund (RGF) bid, that is forecast to attract approximately £400 million private sector investment in two years, with 750 jobs based at the new plant, and a further 3000-4000 further jobs forecast in the wider supply chain. By working together, the partnership was able to convince Tata Ltd, the Indian owners of JLR, to invest in the Birmingham sub-region, out of the options they had, which included sites in Wales and India. A key success factor also included commitment by Wolverhampton and Staffordshire councils to jointly fund the development of critical road infrastructure, which involved £36 million of prudential borrowing. This required a risk-taking attitude, but local leaders felt that this is exactly what was needed. All of this support, and including information on provision of local skills, helped give Tata Ltd certainty and confidence in making the investment decision.



Public investment	
The aim	A single place based approach to public investment joining up funds locally and sub-regionally for economic development and investment in infrastructure.
Where are we now?	There are a range of sources of, and mechanisms to raise, finance for investment in infrastructure available to places. These include the Growing Places Fund, European Structural Funds, Regional Growth Fund, Community Infrastructure Levy, New Homes Bonus and Tax Increment Financing. Councils could also invest their assets in Local Asset Backed Vehicles (as could the Homes and Communities Agency).
The English policy direction	<p>The government is taking steps towards a more place based approach to public investment and the use of assets. In the City Deals, agreed to date, it has recognised the strategic economic case for pooling funds for economic development.</p> <p>In Liverpool, it has agreed that the Mayoral Investment Board will oversee the development of the Homes and Communities Agency's land assets¹².</p>
What would local partners like to do differently?	<p>Councils and groups of councils working together would like to be able to speed up and optimise public investment in economic development, and align it with local strategic priorities.</p> <p>Pooling resources offers scale to finance larger scale investment projects, to prioritise amongst projects more effectively and to attract private and philanthropic investors. Local decision making means that investment is consistent with local priorities.</p> <p>The challenge fund selection process associated with the Regional Growth Fund led to delays in funding and co-ordinating RGF investment with other investment and poor value for money¹³.</p>
LGA work programme	The LGA will continue to lobby for a place based approach to public investment in economic regeneration as part of its campaign to extend the City Deal framework to all places that are ambitious to promote local growth.

12 Unlocking growth in cities – Liverpool City Deal, Department of Communities and Local Government, February 2012
<http://www.communities.gov.uk/statements/corporate/2084341>

13 The Regional Growth Fund, National Audit Office, May 2012





Case study	Durham County Council Durham Gate is Durham’s largest regeneration project and is fast becoming a significant economic, social and cultural part of the on-going development of the region. It is being developed through a joint venture between Carillion Developments, part of Carillion plc, and North East property business, Arlington Real Estate. Durham Gate aims to deliver a vibrant mixed-use destination, provide a high quality environment, which surpasses expectations in order to attract high calibre employers, which will ensure the creation of a development of regional significance and regenerate an important area of the North East. Durham Gate has approvals in place to deliver around 400,000 square foot of office space, 30,000 square foot of ‘A’ use – A1 shops and A3 restaurants and cafés –, a hotel and residential developments creating up to 376 homes. In the past 12 months considerable progress has been made at the development, which includes committed investment of over £45 million to date with a further £8 million expected before the end of 2012. This has led to more than 400 people being employed at Durham Gate at the start of 2012.
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Planning

The aim	To ensure councils are able to plan positively for growth in their area and have the tools and flexibility to make local decisions and trade offs.
Where are we now?	<p>The recent publication of the final National Planning Policy Framework (NPPF)¹⁴ ended months of speculation. Councils are now working towards putting an up-to-date plan in place and to help guide and encourage appropriate growth in their area.</p> <p>The NPPF has not resolved the real world tensions inherent in pursuing growth at the local level, in particular striking the right balance to ensure growth is sustainable for the community and viable for the developer. This is an issue for councils to negotiate and determine.</p>
The government’s policy direction	<p>The government’s policy direction was set out in the National Planning Policy Framework published on 27 March 2012.</p> <p>The final NPPF continues to make clear the Government’s commitment to “ensuring that the planning system does everything it can to support sustainable economic growth”.</p> <p>Importantly, the way sustainable development is now described does not give the economy priority over social and environmental considerations, but rather says that “economic, social and environmental gains should be sought jointly and simultaneously”.</p>
What would local partners like to do differently?	<p>Councils will therefore wish to:</p> <ul style="list-style-type: none"> • increase the priority given to putting an up to date plan in place that reflects the policies in the NPPF • protect their ability to set developer contributions through section 106 agreements whilst working pragmatically to unlock stalled sites where possible • work to develop Community Infrastructure Levy (CIL) charging schedules. The LGA will continue to press for local discretion on delegating CIL receipts to the community level, ensuring that such funds are democratically accountable to local people • call on the Government to finally decide on the question of resourcing local planning through fair and equitable local planning fees as soon as possible • ensure the planning system genuinely provides the flexibility for local approaches and decision making by providing certainty around the issue of planning guidance • call on government to allow councils to stimulate their local high streets and places through the use class system.

14 National Planning Policy Framework, Department for Communities and Local Government, 2012





LGA work programme	<p>The LGA is working with councils to help deliver ‘open for business’ planning services.</p> <p>Lobbying the government to localise fee setting for planning applications.</p> <p>This will not only help ensure that planning services are properly resourced to provide an efficient and effective service - ending the current system whereby council tax payers are required to subsidise the cost of some planning applications.</p> <p>Through the 2012-13 LGA campaign Housing the Nation, lobby against proposals that would compel councils to reopen section 106 agreements on viability grounds. The requirements placed on doing developments in an area must be justified and realistic. On the one hand, appreciating the economic reality of development costs and market conditions, but on the other hand understanding that the social and environmental implications of proposed developments should not be subject to being ‘negotiated away’. Local distinctiveness must find expression, and development should respond to local individualities.</p> <p>Lobby the government to win more effective planning powers for local councils to shape their communities and high streets in line with the wishes, priorities and best interests of residents and business and tackle the clustering of same use premises where this presents a problem locally.</p> <p>Supporting councils to:</p> <ul style="list-style-type: none">• deliver development that is viable to both developers and the community• work collaboratively to assess and meet local needs• respond to the new duty to cooperate and to work collaboratively to assess and respond to local needs• put in place up-to-date Local Plans as efficiently as possible.
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Case study

Basingstoke and Deane Borough Council

Basingstoke and Deane Borough Council adopted a flexible approach to take forward a scheme which will ultimately deliver some 2,100 market and affordable homes in North Basingstoke.

It was recognised that there was a need to create a focal point for the new community at any early stage in the development. The adjoining residential area had high levels of deprivation and a failing secondary school which was in need of redevelopment. The council, in partnership with Hampshire County Council, saw the opportunity to relocate the school onto a new site to act as that community's focal point and as an important catalyst for the regeneration of the wider area.

A financial package was agreed between the Borough Council, Hampshire County Council as landowner of the existing school site and the major development site, and David Wilson Homes to provide the necessary 'gap-funding' to enable the replacement school initiative to proceed. The whole development is underpinned by a 'Masterplan' which has ensured an integrated and coherent development including the co-ordination of service and community infrastructure provision without undue burdens on borough council resources.





Communications infrastructure

The aim	To bring a modern communications infrastructure to parts of the country not currently reached by the private sector. Closing the gap in access to broadband and mobile connectivity is essential for economic growth and jobs.
Where are we now?	<p>Government is part-funding investment in superfast broadband but the rollout and procurement is being led by local councils who are providing match-funding, forging partnerships and supporting businesses and communities to get online.</p> <p>The vast majority of councils in the rural broadband programme have agreed a Local Broadband Plan. The Government has set a deadline of December 2012 to complete the procurement process.</p> <p>The 2012 Budget announced the ten cities eligible for the urban broadband fund. Councils have until the end of July to develop full bids.</p> <p>For parts of the country beyond the scope of the rural broadband programme (the final 10 per cent), the Community Broadband Fund enables local people to work with councils to bring broadband to the hardest to reach areas. The second round of funding was in May 2012.</p> <p>Procurement for the mobile infrastructure project will start shortly.</p> <p>It is good news that Government has devolved responsibility for the local rollout to councils, who are keen to bring superfast broadband to their areas as soon as possible. However, the plethora of funding streams can be a barrier to local alignment, and councils are concerned that the market cannot support the completion of 35 to 40 rural broadband projects by the end of this year.</p>

<p>The government's policy direction</p>	<p>The Government's headline ambition is to provide superfast broadband to at least 90 per cent of premises in the UK and to provide universal access to standard broadband with a speed of at least 2Mbps.</p> <p>Government:</p> <ul style="list-style-type: none"> • has allocated £530 million during the current Spending Review period to stimulate commercial investment to roll out high speed broadband in rural communities • will invest £100 million to create up to ten 'super-connected cities' across the UK • will invest up to £150 million to improve mobile coverage in the UK for consumers and businesses that live and work in areas where coverage is poor or non-existent • Broadband Delivery UK (BDUK), a unit within the Department for Culture, Media and Sport (DCMS), is responsible for managing the Government's broadband funding • individual projects are the responsibility of local authorities.
<p>What would local partners like to do differently?</p>	<p>Local partners want the flexibility to align funding streams locally. For example, some county councils are eligible for the rural broadband programme and the Community Broadband Fund, and want to align procurement to get the best possible deal for taxpayers.</p> <p>Whilst local partners will do everything they can to complete procurement for the rural programme by the end of this year, we also want Government to understand the risks around condensing procurement into such a tight timeframe.</p>
<p>LGA work programme</p>	<p>The LGA is already supporting councils to rollout superfast broadband and this will continue. We would also like to work with Government and BDUK to identify risks around the Government's timetable for rural broadband and put in place appropriate local solutions.</p>
<p>Case study</p>	<p>Funded by the EU, BT and Cornwall Council, and managed by the Cornwall Development Company, Superfast Cornwall is an ambitious £132 million programme bringing superfast broadband to Cornwall and the Isles of Scilly. The programme will deploy 130,000 kilometres of fibre optic cable and will run until 2015. For homes and businesses unable to connect to fibre optic broadband, Superfast Cornwall is aiming to bring faster broadband through alternative technologies, such as satellite, wireless and advanced copper. As a result the programme will reach 100 per cent of premises in Cornwall and the Isles of Scilly.</p>





Housing	
The aim	<p>It is widely recognised that the country is suffering from a national housing crisis – we need more homes that are of a type people need and a price that they can afford.</p> <p>To win increased housing powers and financial freedoms for councils to further contribute towards addressing the current ‘housing crisis’, and in doing so assist with supporting economic growth at a local level.</p> <p>To demonstrate that councils play a key role to enable the delivery of new homes directly, and provide an environment for investment and sustainable growth.</p>
Where are we now?	<p>The scale of the housing problem is supported by the Department for Communities and Local Government (CLG) Select Committee report on financing of housing supply (May 2012): “...in the last 20 years, the private sector has never delivered more than 150,000 homes per year. This suggests that potentially radical changes of policy and alternative sources of finance will be needed if housing supply is ever to reach levels of demand”.</p> <p>Housing supply issues have an impact on affordability, pressures on social and intermediate housing stock and council waiting lists, pressures on advice, support and homelessness services, temporary accommodation and the use of and quality within the private rented sector.</p> <p>Authorities owning their own housing stock have recently moved to a new self financing system following a sustained LGA lobbying campaign allowing the potential for increased investment in new build and existing stock. Those authorities are also considering the impact of the recently announced revived right to buy scheme which will have variable impact on council stock levels.</p> <p>Councils play a central role in encouraging investment in their areas in strategic terms by providing an environment for growth. This can take the form of land release, partnerships with investors, the planning system and through regeneration projects.</p>

<p>The government's policy direction</p>	<p>The government's policy was set out in <i>Laying the Foundations: A Housing Strategy for England</i> on 21 November 2011.</p> <p>The key pillars of the reform are:</p> <ul style="list-style-type: none"> • increasing supply: This includes measures such as the new build indemnity scheme, the public land release scheme, measures to unblock stalled sites • social and affordable housing reform: This includes measures such as housing finance reform, right to buy and greater flexibility over assessing housing need and allocations • private rented sector: This includes a focus on increasing standards and quality and bringing empty homes back into use.
<p>What would local partners like to do differently?</p>	<p>Councils would like to see increased financial flexibilities to invest in existing and new stock.</p> <p>Councils would also like more effective powers to facilitate swift action on empty homes, quickly and simply bringing them back into use and working with landlords to raise standards across the private rented sector.</p>





LGA work programme	<p>Through the 2012-13 Housing the Nation campaign, the LGA is lobbying for increased housing powers and financial freedoms for councils to further contribute towards addressing the current housing shortages, and in doing so assist with supporting local growth.</p> <p>An 'open for business' council. Developing places people want to live, work and visit.</p> <p>We want Government to give councils the ability to better support the sustainable development of housing supply by:</p> <ul style="list-style-type: none">• dropping the proposal to allow developers to compel councils to reopen section 106 obligations (on viability grounds)• allowing local discretion on the proposition of Community Infrastructure Levy (CIL) receipts delegated to the community level, ensuring that such funds are democratically accountable to local people• renewing councils power (which expires this year) to extend planning permissions. <p>We need to facilitate construction by investing in new stock and enabling development in partnership with the private sector.</p> <p>We want Government to deliver, in line with the principle of localism, a self-financing model that enable more investment in housing by:</p> <ul style="list-style-type: none">• removing the borrowing cap currently placed on councils to allow them greater financial flexibility• allowing councils to borrow on the same basis as housing associations• revisiting the discount rate under the right to buy through a 12 month review of Right To Buy proposals, to understand take up and the delivery of one for one replacements. <p>We would like to make the best use of existing homes by:</p> <ul style="list-style-type: none">• empowering councils so they can facilitate swift action on empty homes, quickly and simply bringing them back into use in whatever fashion possible• bringing in the empty homes premium through the Local Government Finance Bill, by introducing the power to set higher amount for long-term empty dwellings• reforming tools such as Empty Dwelling Management Orders in order that councils can quickly and efficiently bring empty stock back into use.
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Case study

Stevenage Borough Council

Award-winning sustainable homes at Peartree Way and Cotney Croft have been hailed as a 'masterclass for the future of social housing'.

In partnership, Stevenage Borough Council and Home Group provided eight low carbon family houses for rent on two previously-derelict sites. The homes were built with a host of green features including rain water collection tanks and sustainable drainage, tilted roofs with tiles producing solar power, and high levels of insulation, making them highly energy efficient. The ground-breaking designs mean that the houses are not only great news for the environment, but also ensure running costs stay low. Using state-of-the-art touch-screen monitors, tenants can keep track of how much energy they are using and how much is being produced. This information will form part of doctoral research to progress the green agenda further.

The project has scooped a number of accolades, including the 'Outstanding commitment to adapt to a changing climate' at the Hertfordshire Building Futures Awards, and the silver award for the Built Environment and Architectural Heritage at the International Green Apple awards. It was also shortlisted for two categories at the Sustainable Housing Awards.

The development was made possible after the council transferred the land to Home Group for free and provided funding from section 106 Agreements (commuted sums from other developments).

The Department for Communities and Local Government, the Homes and Communities Agency and Home Group all contributed to funding the project.





Supporting innovation through stronger partnership with higher education

The aim	To promote greater collaboration between councils and local higher education institutions to promote local growth.
Where are we now?	<p>Innovation and the ability of UK businesses to maximise the commercial outcome from innovation is recognised at the highest levels. Innovation accounts for 63 per cent of all annual labour productivity growth since 2002¹⁵.</p> <p>A small proportion of Small and Medium-sized Enterprises (SMEs) are critical to driving innovative growth. The 6 per cent of UK businesses with the highest growth rates generated half of the new jobs created by existing businesses between 2002 and 2008...they were far more likely to be innovative, and data shows that their innovation was a source of growth.”¹⁶</p> <p>Innovation is essential not just for growth but also to tackle many of the other challenges facing local public services including health, education, demographic change and environmental resources.</p> <p>According to a recent report by IPPR North¹⁷, commissioned by Universities UK, “only 4 per cent of higher education institutions (HEIs) see their locality as being a priority of their mission and almost a third of HEIs do not see any geographical area as part of their mission. Just 12 per cent of universities see supporting community development as a main area where they make a contribution to economic development. In terms of community regeneration, about a third of universities see themselves in a leadership role within their local area.”</p> <p>Work by Universities UK has demonstrated that universities have a significant economic impact on regions. The sector employs more than one per cent of the UK’s total workforce and for every 100 full-time jobs within universities more than 100 other full-time equivalent jobs are generated through knock-on effects. For every £1 million of university output a further £1.38 million of output is generated in other sectors of the economy (UUK 2009).</p> <p>Local enterprise partnerships were encouraged to have a university representative on their boards, but it was not mandatory. Of the 39 local enterprise partnerships across England 35 have higher education representation at Board level.</p>

15 Annual Innovation Report 2010; BIS

16 The Vital 6%; National Endowment for Science, Technology and the Arts

17 Beyond bricks and mortar: universities’ role in building regional economies, IPPR North, February 2012

The government's policy direction

As part of the Government's 2011 higher education white paper, Professor Sir Tim Wilson was asked to undertake a review. This review looks at how we make the UK the best place in the world for university-industry collaboration. The independent report 'A review of business-university collaboration' was published in February 2012. It calls for universities to be at the heart of the economy, to promote growth in the UK and to improve the employability of our graduates.

The report highlights:

- Universities are key players in the supply chain for research, innovation and skills; they should be at the heart of a Local Enterprise Partnership (LEP). Through LEPs there are opportunities for universities to support their local economy through proactive engagement, both through increased collaboration with SMEs and through partnerships with major corporates.
- Local partners should maximise the opportunities provided by enterprise zones (EZs) and similar schemes being developed at prospective university science parks. Many EZs are located close to universities and could benefit from the strength and reputation of those universities in promotion, and from their capacity for research, innovation and high-level skills provision, to attract business.
- Universities, UKTI, local authorities, LEPs and others should work together to develop coherent routes for the international promotion of available space and development opportunities in university-linked science and innovation parks. Further, the government, in conjunction with the LEPs, should examine the benefits of using local authority enterprise zone type measures such as simplified planning or local taxation to support university-linked science and innovation parks.

The findings of the report are not government policy and it is unclear at present how or when the government will respond. The Wilson Review identifies opportunities through LEPs for universities to work collaboratively with business and local authorities to support economic growth. This provides a great period of opportunity for local authorities and Local Enterprise Partnerships to influence national policy on the work of universities in support of local economies.





<p>What would local partners like to do differently?</p>	<p>The main messages emerging were that:</p> <ul style="list-style-type: none"> • councils (and public sector) should consider how they can promote innovation through a flexible and transparent approach to procurement in order to seek best value for money. There is evidence that councils are developing a bigger appetite for risk to promote innovation • councils could do more to encourage the involvement of universities in local growth strategies • councils/universities/business (through LEPs) need to work collaboratively to develop economic strategies reflective of the employment market.
<p>LGA work programme</p>	<p>The LGA will be:</p> <ul style="list-style-type: none"> • working with BIS, local authorities and LEPs to explore the recommendations from the Wilson Review • building on the dialogue already started with Universities UK to explore how best to promote the role of innovation and HE locally so that the civic leadership role of HE is more prominent and good practice in public services and universities working together to promote local growth and job creation as well as taking forward those recommendations from the IPPR North report – Beyond Brick and Mortar that are of mutual interest – such as promoting universities contribution to LEP agendas • promoting, through case studies and events, the varied contributions that universities and HE can play in supporting local growth as well as social and environmental priorities and challenges faced by council leaders.

Case study

Salford City Council

Salford City Council continues to support the development of Media City UK, working with partners to create tangible opportunities for their residents. Salford City Council has been involved in the development of the site and its transport infrastructure from the very beginning to create an accessible investor, visitor and employee destination.

Salford City Council is using this new development as a catalyst to raise the profile of Salford, to raise aspirations and to create job opportunities for local residents. The University of Salford also has a presence at Media City UK, with a brand new campus for more than 1500 students and staff.

Specialist courses, designed in conjunction with the BBC, will equip students with the skills to help them access job opportunities on site.





Trade and inward investment	
The aim	Councils will work effectively with UK Trade and Investment to promote trade and inward investment with a particular focus on and the opening up of public service markets.
Where are we now?	<p>Export markets have declined and have yet to recover to the export levels last seen in 2007.</p> <p>Whilst the value of exports to the high growth economies of India and China is relatively small they have grown compared to a general downward trend with our main trading partners the EU and United States. Equally inward investment from India and China amounts to less than 0.25 per cent of the UK's world total.</p> <p>There are however strong local connections – for example the South Staffordshire Jaguar Land Rover plant is now owned by the Indian firm Tata.</p>
The government's policy direction	<p>The inward investment offer and service needs to be made at the right spatial scale. Government has decided it will be done through UKTI. In the early stages of an investment opportunity, the appropriate scale will in most cases be at the UK level.</p> <p>But once a decision has been made to consider the UK, the sub-regional or local offer will become important. For that reason Local Enterprise Partnerships and UKTI have now all signed memorandum of understanding.</p> <p>This allows Local Enterprise Partnerships access to the UKTI database of prospective inward investors.</p>
What would local partners like to do differently?	<p>With the continued fragility of both the UK economy and our major export markets, the way local councils are re-inventing their role in economic development and the new UKTI regional support service, local councils can play a valuable role in supporting international trade and investment.</p> <p>Indeed councils in other economies such as Germany and New Zealand play a more significant role than in the UK. This can be critical in trade relationship where the international business attaches particular value to the endorsement of the local state.</p> <p>Councils and Local Enterprise Partnerships are keen to work more closely with UKTI developing a shared understanding of their areas wider economic offer and its assets.</p>

LGA work programme	LGA will work with councils, the British Chambers of Commerce and UKTI to develop the role of councils in inward investment projects.
Case study	<p>Basildon Council</p> <p>Following an invitation from UKTI and the British Embassy in Lisbon, Basildon Council and Selex visited Évora InovCity in Portugal to see an existing smart city project in action. Évora is home to cutting edge technology including charging points for electric vehicles, dynamic public lighting, smart meters which enable businesses and households to accurately manage their energy usage, and an intelligent energy grid which optimises energy delivery and networks Évora’s energy supply.</p> <p>The trip was a resounding success with relationships forged between both private and public sector bodies with potential for future interaction. Basildon Council continues to build on this by hosting a Portuguese UKTI representative who will be helping local businesses to access Portuguese, Brazilian and Angolan markets.</p>



rowth



Town Hall debates

All debates were chaired by Councillor Peter Box CBE; Leader of Wakefield Council and Chair of the LGA Economy and Transport Board, with the exception of the Birmingham and Cambridge debates that were chaired by Councillor Shona Johnstone; Vice Chair LGA Economy and Transport Board and Cambridgeshire County Council.

London launch event 23 November 2011

- Sir Merrick Cockell; Chairman LGA
- Rt. Hon. Hilary Benn MP
- Stephen Williams MP
- Adam Marshall; British Chamber of Commerce
- Tom Ironside; British Retail Consortium

Leeds 6 December 2011

- Jim Steer; Transport expert
- Ian Williams; Leeds Chamber of Commerce
- Hermann Gelissan; Stedenbaad Plus
- Councillor James Lewis; Chair of West Yorkshire Integrated Transport Authority
- Dr Malcolm Reed CBE; Former Chief Executive Transport Scotland

Birmingham 15 December 2011

- Councillor Philip Atkins; Chair of WM Councils and Leader Staffordshire County Council
- Councillor Roger Lawrence; Wolverhampton City Council
- Stewart Towe OBE; Chair of the Black Country LEP and CEX of Hadley Industries
- Sir Tony Hawkhead; Chief Executive of Groundwork





Wakefield 25 January 2012

- Andrew Carter; Director, Centre for Cities
- Mark Ridgway OBE; Managing Director, Group Rhodes and Member of Leeds City Region LEP Board
- Ed Cox; Director, IPPR North

Cambridge 16 February 2012

- Sir Tim Wilson; Chair of the Government Review of Business – University Collaboration
- Councillor Peter Martin MBE; Chairman, East of England LGA
- Cllr Kevin Bentley; Essex County Council
- Dr Robert Swann; Entrepreneur and member of Greater Cambridge Greater Peterborough LEP
- Simon Coward; Hethel Engineering Centre – MD of Innovation and Enterprise HUBS, Norfolk CC
- Luke Owen; BIS representative

Gateshead 9 March 2012

- Gerry Foley; Political Editor, ITV Tyne Tees
- Cllr Paul Watson; Chair, Association of North East Councils
- Cllr Peter Box; Chair, LGA Economy and Transport Board
- Alistair Dormer; CEO, Agility Trains Ltd (Hitachi Rail Europe Ltd)
- The Rt Hon Dr Vince Cable; Secretary of State for Business, Innovation and Skills
- Heidi Mottram; Chief Executive, Northumbrian Water, Member of the CBI North East Regional Council and Member of the CBI Infrastructure Board
- Dave Nicol; Works Manager, SSI UK/Tata Steel UK
- John Barnett; Operations Manager, Calsonic Kansei
- Tom Johnston; Trust Director, Glendale Gateway Trust
- Ed Cox; Director, IPPR North

London 13 March 2012

- Jeremy Smith; Director of Advocacy International
- Carl Wright; Secretary General of the Commonwealth Local Government Forum
- Adam Marshall; British Chambers of Commerce
- Victoria Appelbe; Head of Economy and Regeneration for the City of Bonn
- Stephen Duffy; Desk Officer for regional policy for the European Commission

Devon 23 May 2012

- Cllr Jeremy Christophers; Leader Teignbridge District Council
- Cllr Mike Haines; Leader of the Teignbridge Independent Group
- Cllr Roger Symonds; Cabinet Member for Transport for Bath & North East Somerset Council
- Tim Jones; Chair of the Heart of the South West LEP
- Steven Howell; Localis
- Fiona Parsons; National Apprenticeship Service

Additional supporting work

- Export markets and inward investment – the role of local councils. LGA-commissioned work from IPPR North as a contribution to the local growth campaign.
- Grow your own way – Localis report commissioned by the LGA as a contribution to the local growth campaign arguing that a new locally-driven approach to regeneration is needed.
- Commercialising innovation: A briefing paper on historic trends and policy context LGA/EELGA commissioned work as a contribution to the local growth campaign.

For these publications, contributions from civic leaders, and our library of case study see the Economy and Transport area of the LGA website www.local.gov.uk

For further information please see other useful website including:

ANEC www.northeastcouncils.gov.uk

East of England LGA www.eelga.gov.uk

Local Government Yorkshire and Humber www.lgyh.gov.uk

British Chambers of Commerce www.britishchambers.org.uk

Localis www.localis.org.uk

IPPR www.ippr.org

Knowledge Hub <https://knowledgehub.local.gov.uk>







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