

# LOCAL GOVERNMENT NEEDS TO GET SMART

Growth coalitions help councils promote sustainable economic development



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**Last September, when outlining the extended remit for the Treasury sponsored review of the future of local government, Sir Michael Lyons said that he would be ‘looking at local governments’ role in facilitating economic growth’. Sir Michael’s interim, Spring paper has recently been published, in advance of a white paper and possible subsequent legislation. He will finally be reporting in December, in time for next year’s Comprehensive Spending Review, CSR.**

Sir Michael has what many have spoken of as a window of opportunity, to critically evaluate the legacy of decades of attempts

to address the well-being of localities; the trialling of a variety of models of governance and delivery, in the context of an acceptance at the heart of government of the need for change, and renewal.

The review is able to draw on much in the way of considered analyses of the outcomes and cost of the decades of interventions and attempts to join up and deliver public services according to local needs, focused on existing issues, as well as those arising as a consequence of economic and social change.

The political dimension has also been clarified recently, to the extent that there is

recognition at the heart of government that there has to be a locally tailored response to addressing issues in localities. At the same time, local government recognises the need for local outcome-focused activities, to fit within a performance management context where local actions contribute to the achievement of centrally set objectives.

The ‘growth coalitions’ project was established four years ago to critically evaluate and address the decades old scenario, considering outcomes deriving from public sector led activities and interventions aimed at realising benefits for local communities. A growth coalition developed for the English

context is defined as “a body of representatives drawn together for the purpose of achieving a series of mutual objectives driven by the vision of a growing, successful, local economy where serious disadvantage is alleviated”.

The project has addressed the need to join-up publicly funded regeneration-related expenditure by pooling this money through the conduit of a strengthened local strategic partnership, LSP. Growth coalitions provide strategic, over-arching focus, vision and objectives for local activity. They aim to improve communities on the basis that what is good is for their well-being - education and skills, a good environment, health, community cohesion, infrastructure - is good for business.

This is a matter of "making things work better", utilising "tools" of government to "incentivise" partners into joining up, ensuring that they jointly develop: an evidence-based analysis of conditions and needs in an area; the sustainable community strategy; action plan (single pot local area agreement); and outcome-focused, performance management framework.

Growth coalition provide local authorities with a strategic opportunity to exercise their community leadership role in improving well-being and economic development to the extent that a 'tipping point' is reached in terms of creating a true mixed, sustainable economy in all localities. The concept of 'smart local government' has been developed alongside the growth coalitions project as an objective of the government's 10 year vision for localities. Growth coalitions are a vehicle for providing an over-arching, strategic vision with local government influencing the range of actions taken by local public services.

The project's proposals have been refined as a result of rounds of discussions with the senior civil servants and political advisors at numbers 10 and 11 Downing Street and also the then Office of the Deputy Prime Minister, ODPM. Evidence has been presented to the government 2004 strategy unit review of the impact of government actions in deprived areas. The report remains an authoritative document, detailing measures to be implemented by government to strengthen local economies and improve public service delivery - themes which were reflected in last year's five year plan for the ODPM. The project was supported by the New Local Government Network and has also informed the work of the Institute for Public Policy Research's Centre for Cities,

The Young Foundation, and others who have joined the policy debate.

David Miliband, as minister at ODPM, spoke repeatedly in support of the need for such coalitions. Dan Corry, Ruth Kelly's special adviser, and former head of the New Local Government Network, has also been advised on growth coalitions and supported the project. The Treasury remains convinced of the merits of the project and 'growth coalitions' and 'smart local government' formed the basis of evidence presented to a Lyons review workshop earlier this year. The review team expressed the strength of their interest in the project, requesting that a submission be made to the review in this respect. Most recently, the Treasury have sought input from the project to advise on the nature and scope of their newly initiated review into the effectiveness and efficiency of economic development and regeneration, and local public service regimes, which will feed into the 2007 Comprehensive Spending Review, CSR.

The growth coalitions project has already influenced the development of local area agreements, local public service boards and strengthened the workings of local strategic partnerships. Most recently, it has informed the Local Government Association's alternative white paper, *Closer to people and places - a new vision for local government*. The project has facilitated developments on the ground. Working with the Improvement and Development Agency in Walsall, 'growth coalitions' and notions of 'smart local government' assisted the council in driving "improvement through regeneration". Telford and Wrekin Borough Council's "single-pot" pilot local area agreement was informed by the project and became focused on growth.

Elsewhere, the project has provided South Northamptonshire District Council with a framework for engaging with the sustainable communities agenda. In Slough, the project has facilitated a step-change, by looking forward towards a revised, and more responsive, needs-focused and evidence-based sustainable community strategy, with the introduction of a local area agreement as the tool or instrument for change.

Sir Michael Lyons, in his Spring paper, draws on the work of the 'growth coalitions' project, specifically identifying local government's role as lying both in delivering and influencing services and the strategic approach to economic development. He develops his notion of local authorities "place-shaping" for economic well-being, as part of a broader role in enabling economic development.

## “ Smart local government is a force for driving economic development and regeneration ”

The Spring paper addresses local government's lead role in "convening" partners, and convening across local public services to develop a "vision" for the area, linking together the priorities and resources of a range of organisations in the pursuit of over-all priorities, as well as actually organising the actions needed to improve the delivery of services and the achievement of outcomes for individuals and areas. Sir Michael states ".....effective local government, and place-shaping, can be about recognising when it is necessary to build coalitions...to achieve certain outcomes", concluding "councils will need to build coalitions of interest with other players who have a role to play in making change work...to engage more actively in the coalition-building".

'Growth coalitions and 'smart local government' are a connective force for the realisation of a strategic role for local government, driving the effectiveness and efficiency of economic development and regeneration, and local public service regimes. The 'growth coalitions' project supports the notion of local government as "place-maker".

Many people and organisations are now identifying with the narrative, and elements of 'growth coalitions' and 'smart local government'. Perhaps it is now time for a step change on the part of government, wholeheartedly and confidently taking the lead and driving through these developments. After all, this is all about providing a fresh policy platform, calling for renewal.



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[www.growthcoalitions.org.uk](http://www.growthcoalitions.org.uk)