Autumn Statement: Promoting local pro-growth coalitions

By Adam Fineberg (/article/author/Adam-Fineberg) | 22 November 2022

The Truss/Kwateng efforts to justify their approach to economic development in the UK was to talk of their opponents as members of an 'anti-growth coalition'.

The chancellor, Jeremy Hunt, launched the Autumn Statement by making three key commitments: to support stability, growth and public services saying that 'economic growth is the only way to sustainably fund public services, raise living standards and level up the country'. He concluded 'stronger economic growth requires a long-term plan and commitment to see it through - there are no quick fixes to the challenges the UK faces.'

Mr Hunt asserted that 'the government remains committed to levelling up and spreading opportunity across all areas of the UK'. To support this, the Autumn Statement confirms that the second round of the Levelling Up Fund will allocate at least £1.7bn to priority local infrastructure projects.

The Government also remains committed to giving more local areas greater power to drive local growth and tackle local challenges. This includes delivering the commitment to agree devolution deals with all areas in England that want one by 2030. This all harks back to the struggles in the noughties of local authorities to realise enhanced 'freedoms and flexibilities'. Fundamentally, nothing has changed.

My work on the 'growth coalitions' project began in the noughties. It sought to drive growth in all local economies on the basis that what's good for local people - good housing and education, a good environment etc. - is good for local business. It was focused on the need for an overarching economic or growth-driven strategic vision making local services work better for local people and the national economy by utilising the ‘tools of government’, partnering with the private sector. This effectively would lead to a rationalisation and coordination of local services and the development of the local area.

The Treasury and the then Department for Levelling Up worked to help drive UK growth. A specific recommendation from the fourth paper in their series, ‘Productivity in the UK’, was ‘the local dimension’ which called for a single local strategic body to ensure that the value of local public expenditure was captured for the benefit of economic growth (HM Treasury and Office of the Deputy Prime Minister, 2003).

The UK Government recently commissioned an essay on ‘growth coalitions’ to inform their ‘Future of Cities’ Foresight project’. This ongoing ‘growth coalitions’ work currently influences a number of domestic and global programmes to promote city, sub-national, national and trans-national growth and development, including those addressing the benefit of good public financial management systems.

The challenge now is how government and local public service providers can ‘square the circle’ and ensure that local citizens as well as UK PLC can best reap the benefits of growth. Many of the proposals enshrined in the ‘growth coalitions’ project ring true today and can assist with this conundrum. Perhaps if we had had maturing growth coalitions by now many local economies would not be faring so badly from the current financial crisis and have realised a turnaround in fortunes for UK plc and its resilience much earlier.

Local pro-growth coalitions are a long-term model for supporting stability, growth and public services. The question is whether the chancellor requires a long-term plan and has the commitment to see one through to beyond the end of the current electoral cycle. This would address the historic low productivity issues of the UK plc whilst addressing the need for longer term ongoing austerity, funded by economic growth.

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